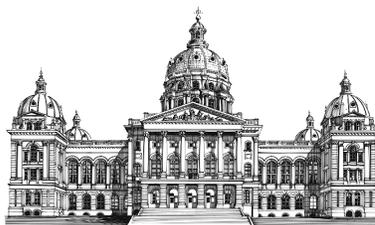


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# Iowa Legislative Fiscal Bureau

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State Capitol  
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## Iowa Veterans' Home

### ISSUE

This *Issue Review* provides an overview of the operations and budget of the Iowa Veterans' Home in Marshalltown.

### AFFECTED AGENCIES

Iowa Veterans' Home

### CODE AUTHORITY

Chapter 35D, Code of Iowa

### BACKGROUND

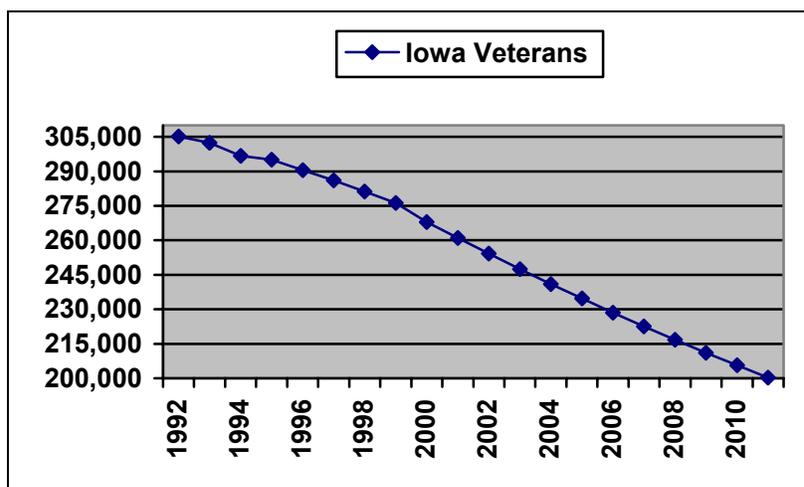
In 1886, the Iowa General Assembly approved an appropriation of \$75,000 for the establishment of an Iowa Soldiers' Home "to provide a home and subsistence for all honorably discharged soldiers, sailors, and marines who had served in the Army and Navy of the United States, and who are disabled by disease, illness, or otherwise." The Governor appointed a commission to determine where the Home should be located. The Home was eventually constructed during 1887 in Marshalltown. In 1975, the Iowa General Assembly changed the name of the Iowa Soldiers' Home to the Iowa Veterans' Home.

The role of the Home has evolved considerably over the years. Originally, the Home was a domiciliary for veterans with insufficient resources to live independently or for those veterans who were unable to earn a livelihood by virtue of disability. Today, the Veterans' Home is a facility that serves a portion of the population with chronic infirmities rather than those with insufficient incomes. The Veterans' Home also provides services to spouses of qualified veterans. Spouses qualify for admission if they have been married to a veteran for one year before the date of application and meet residency requirements.

## CURRENT SITUATION

### Iowa's Veteran Population and Projections

Current estimates for calendar year 2001 indicate there are approximately 261,000 veterans living in Iowa. The number of veterans in Iowa has decreased by approximately 14.5% since 1992 when the number of veterans in Iowa totaled approximately 305,000. In the next 10 years, the number of veterans is projected to decline at a rate of approximately 2.6% per year. The chart below provides past and projected veteran population estimates.



### Number and Type of Beds at the Veterans' Home

The Iowa Veterans' Home is certified by the federal Department of Veterans' Affairs for 830 beds. However, due to regulatory compliance and space limitations, the Home currently has 768 operating beds. The Veterans' Home has three types of beds: nursing, domiciliary, and infirmary. The Home has 629 nursing beds, 113 domiciliary beds, and 26 infirmary beds. As of August 30, 2001, 701 beds were filled. The waiting list at this time included 42 veterans and one spouse.

**Table I** outlines the types of beds at the Veterans' Home identified by wing and support (financial payment status).

**Table I  
Beds by Wing and Support**

<b>Beds by Wing</b>	<b>Full Support</b>	<b>Partial Pay</b>	<b>Medicaid</b>	<b>Indigent</b>	<b>*Off-Line</b>	<b>Vacant</b>	<b>Total</b>
Dack 2 East - Nursing	2	9	16				27
Dack 2 West - Nursing	3	12	12				27
Dack 3 East – Nursing		13	14				27
Dack 3 West – Nursing		8	19				27
Dack 4 East – Nursing	2	9	17				28
Dack 4 West – Nursing	3	7	18				28
Heinz Hall – Domiciliary	5	64		25		19	113
Loftus 1 – Nursing		12	23			2	37
Loftus 2 – Nursing		34		1		2	37
Malloy 2 North – Nursing	1	51			4	2	58
Malloy 2 South – Nursing	1	49			8		58
Malloy 3 A/B – Nursing	3	18	25		4		50
Malloy 3 C/D – Nursing		19	33				52
Malloy 4 A/B – Nursing	2	14	30		6		52
Malloy 4 C/D – Nursing	4	24	24				52
Sheeler 2 East – Nursing	3	4	14			7	28
Sheeler 2 West – Infirmary		6	7			13	26
Sheeler 3 East – Nursing	1	3	17			0	21
Sheeler 3 West – Nursing	1	8	11			0	20
<b>Total</b>	<b>31</b>	<b>364</b>	<b>280</b>	<b>26</b>	<b>22</b>	<b>45</b>	<b>768</b>

\*Beds off-line temporarily due to construction.

### Eligibility for Admissions

In order to be admitted into the Veterans' Home, the following conditions must be met:

- All individuals must meet residency requirements of the State of Iowa.
- The veteran must be honorably discharged, and eligible for care and treatment at the Department of Veterans Affairs medical centers.
- Each applicant must have a current physical examination completed by a doctor that includes laboratory and X-ray findings.
- The spouse of a veteran is eligible if they are admitted with or after the veteran is admitted. The couple must have been married for at least one year.
- The widowed spouse of an eligible veteran may be admitted.

### Demographics of the Home

The Iowa Veterans' Home currently has 595 male residents and 106 female residents. Of the 106 female residents, 21 are veterans and 85 are qualified spouses. Of the 701 total residents, 685 are white, 15 residents are African-American, and two are Native Americans. The average age of a resident at the Home is approximately 72. Approximately 77.0% of residents at the Veterans' Home use wheel chairs. **Table II** provides a breakdown of the residents at the Veterans' Home by gender and by the war in which the veteran fought. The column titled, "Women Non-Veterans" applies to spouses of eligible veterans. They are organized in the table by the war in which their spouse served.

**Table II**  
**Residents at the Veterans' Home by war**

War	Men	Women	Women Non-Veterans	Total
World War I			5	5
World War II	303	11	68	382
Korean War	107	3	9	119
Vietnam War	108	3	2	113
Persian Gulf	6	0	0	6
Peace Time	71	4	1	76
<b>Total</b>	<b>595</b>	<b>21</b>	<b>85</b>	<b>701</b>

Data from **Table II** indicates that just over half of the veterans at the Iowa Veterans' Home served in World War II. While residents of the Home come from all counties across the State, currently the Home does not have any residents from Adams, Chickasaw, Guthrie, Ida, Jackson, Lyon, Mills, Osceola, Van Buren, Washington, or Winneshiek counties. A total of 58.8% of the residents at the Veterans' Home come from the following 10 counties: Polk (109), Marshall (105), Linn (44), Tama (24), Cerro Gordo (24), Scott (23), Story (22), Johnson (22), Black Hawk (21), and Marion (18).

### **BUDGET IMPACT**

The funding stream for the Iowa Veterans' Home is accomplished by providing the entire operating budget for a fiscal year of the Home through a General Fund appropriation. The Home then receives funds from other sources and returns those funds to the State's General Fund. While the General Fund appropriation has increased each year, the Iowa Veterans' Home has also increased receipts to the General Fund by a like amount. **Table III** illustrates funding of the Iowa Veterans' Home.

**Table III**  
**Funding History of the Iowa Veterans' Home**

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated
General Fund Expenditures	\$43,941,412	\$45,765,262	\$49,300,040	\$51,597,313
<u>Earned Revenues</u>				
Department of Veterans Affairs	9,298,411	10,615,915	10,651,295	10,759,160
Medicaid	6,339,222	6,224,656	5,782,872	6,991,192
Medicare	622,572	581,492	616,159	600,000
Resident Payment	11,673,120	12,181,426	12,712,891	12,097,172
<b>Total Earned Revenues*</b>	<b>\$27,933,325</b>	<b>\$29,603,489</b>	<b>\$29,763,217</b>	<b>\$30,447,524</b>
Miscellaneous Revenues**	1,297,185	874,466	2,008,888	1,840,636
Net State Funding	\$14,710,902	\$15,287,307	\$17,527,935	19,309,153
Percent State Funds	33.50%	33.40%	35.55%	***37.42%

\*Amount returned to the General Fund.

\*\*Includes Medicaid and Department of Veterans Affairs revenues generated, but used for operations rather than returned to the General Fund (permission received from Governor's Office).

\*\*\*For FY 2001, Executive Branch agencies received an appropriation for Workers' Compensation. Without this additional appropriation, the percentage of State funds would have been 34.43%.

## **Payment for Services**

The daily operating cost rate for the Home is determined every six months by calculating the nursing level of care expenses divided by the days of nursing level care provided, which is currently \$203.18 for nursing beds and \$109.79 for domiciliary beds. The Medicare daily rate of \$1.64 is deducted for all Medicare eligible residents and the daily Veterans Affairs per diem rate of \$51.38 for nursing beds and \$22.93 for domiciliary beds is deducted for all veterans from the daily operating cost rate. The resident's ability to pay is determined after deducting reimbursements. The resident is entitled to keep \$90 of income per month. Medicaid covers the remaining balance if the resident is eligible and resides in a Medicaid certified unit. Medicaid is always the payer of last resort. The payment ability process is done on a case-by-case basis, and therefore revenues generated by each bed vary by the resident's ability to pay, as well as reimbursements for which the resident is eligible.

## **Major Expenditures**

### Personnel

The Veterans' Home currently has 845.0 authorized full-time equivalent (FTE) positions. In FY 2001, the Home expended approximately \$37.6 million for personal services. Personnel costs make up approximately 77.7% of the Home's entire operating budget. Recruitment and retention of nursing staff at the Home continues to be a problem due to the current nursing shortage. As a result, in FY 2001, the Veterans' Home expended approximately \$768,000 for overtime pay. In FY 2001, many State agencies experienced a salary adjustment shortfall and an increase in health insurance costs. The Veterans' Home was no exception. The Department of Management allowed the Home to retain additional Medicaid revenues generated by the Home in the amount of \$540,000 to cover the FY 2001 shortfall. This was one-time funding for FY 2001 and results in a similar shortfall for FY 2002.

### Information Technology

The Veterans' Home leases more than 300 personal computers. Prior to FY 2001, the Home shared a network with the Department of Human Services (DHS). According to the Home, the information technology services that the DHS was providing did not adequately meet the Home's needs. In FY 2001, the Home applied for and received an allocation of approximately \$380,000 from the Pooled Technology Account to set up its own network. This was one-time funding for an ongoing project. Therefore, when the FY 2002 General Fund budget request of approximately \$263,000 for continuing the network was not funded, the Home faced an additional funding shortfall for FY 2002.

### Energy Costs

Utilities at the Iowa Veterans' Home increased nearly \$185,000 from FY 2000 to FY 2001 mainly due to the increase in natural gas and electricity prices. The Home normally budgets approximately \$759,000 each fiscal year for utility costs.

### Dietary Function

The dietary function at the Home employs 108 persons that prepare and serve three meals and approximately 350 individual nutritional supplements daily. Dieticians complete a nutritional assessment quarterly for each resident and monthly if a resident experiences significant weight loss or a pressure ulcer. The meal preparation service, which had been contracted out, was returned to State operations in October 1999. In FY 2001, the Home expended approximately \$4.3 million for dietary services.

Housekeeping Contract

The Iowa Veterans Home has a contract with American Building Maintenance (ABM) to provide housekeeping services at the Home. The contract, due to expire June 30, 2003, contains a 3.0% annual escalation clause. In FY 2002, the Veterans' Home budgeted approximately \$1.9 million for the contract with ABM. Although this is a decrease of \$100,000 compared to the original budget for this purpose, the Home reduced the frequency of cleaning certain areas in order to make up the budget shortfall in other areas. ABM agreed to the revision of the contract.

STAFF CONTACT: Russ Trimble (Ext. 1-4613)

Iowa Veterans' Home

<http://staffweb.legis.state.ia.us/lfb/IRVIEW/irview.htm>

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